

Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 ARA-11 EUR-25 EA-11 NEA-10 IO-12 ADP-00

RSC-01 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00

NSC-10 PA-03 PRS-01 SS-15 USIA-12 COME-00 CIEP-02

TRSE-00 INT-08 OMB-01 GSA-01 OEP-01 /170 R

DRAFTED BY EB/ ISM: JCCURRAN: LMP

4/ L4/73 EXT 22231

APPROVED BY EB/ ORF: JLKATZ

EB/ ICD: JBKYLE

ARA/ ECP: JSLATTERY

AF/ EPS: EMQUICK

NEA/ RA: SDSCHIFF

EA/ RA: WWWOODBURY

EUR/ CAN: DRTHOMSON

EUR/ IB: JMSMITH

EUR/ WE: DWLOVING

----- 076837

P 160040 Z APR 73

FM SECSTATE WASHDC

TO AMEMBASSY ACCRA PRIORITY

AMEMBASSY ASUNCION PRIORITY

AMEMBASSY BANGKOK PRIORITY

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AMEMBASSY MEXICO PRIORITY

AMEMBASSY MONROVIA PRIORITY
AMEMBASSY NAIROBI PRIORITY
AMEMBASSY NEW DELHI PRIORITY
AMEMBASSY OTTAWA PRIORITY
AMEMBASSY PRETORIA PRIORITY
AMEMBASSY RABAT PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY SEOUL PRIORITY
INFO AMEMBASSY LONDON PRIORITY
USMISSION GENEVA PRIORITY

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E. O. 11652: N/ A

TAGS: EIND, EMIN

SUBJECT: ACCELERATION OF STOCKPILE SALES UNDER EXISTING
AUTHORITY

REF: (A) STATE 70359; (B) STATE 70364; (C) STATE 70360

1. SUMMARY. REFTELS (A), (B), AND (C) TRANSMITTED
PRESIDENT' S MESSAGE TO CONGRESS ON NEW STOCKPILE POLICY,
ADMINISTRATION' S PROPOSED STOCKPILE DISPOSAL LEGISLATION,
NEW OBJECTIVE LEVELS AND NEW EXCESSES WHICH RESULT. THIS
MESSAGE DEALS WITH PROPOSED ACCELERATION OF EXISTING
PROGRAMS UNDER EXISTING AUTHORITY. END SUMMARY.

2. TOTAL STOCKPILE INVENTORIES NOW VALUED AT ABOUT DOLS 6.
7 BILLION, OF WHICH DOLS 2.3 BILLION WERE ALREADY IN
EXCESS OF FORMER OBJECTIVES. CONGRESSIONAL APPROVAL FOR
DISPOSAL OF DOLS 1.9 BILLION OF THAT EXCESS MATERIAL HAS
BEEN GRANTED OVER PAST SEVERAL YEARS. WORKING ON BASIS
THIS AUTHORITY, GSA SOLD MATERIALS WORTH DOLS 324 MILLION
IN FY 1971, DOLS 146 MILLION IN FY 1972 AND DOLS 351 M. IN
FIRST NINE MONTHS FY 1973.

3. GSA HAS BEEN DIRECTED TO ACCELERATE EXISTING DISPOSAL
PROGRAMS TO MAXIMUM EXTENT POSSIBLE, FOR REASONS GIVEN
REFTELS. IF PROPOSED ACCELERATED RATES (FOLLOWING PARAS)
ARE ADOPTED, GSA ESTIMATES IT WILL ACHIEVE SALES OF DOLS
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153 MILLION IN LAST QUARTER FY 1973, FOR TOTAL OF DOLS 504
MILLION FOR YEAR. ON SAME BASIS, GSA ESTIMATES IT CAN
ACHIEVE DOLS 450 MILLION IN SALES IN FY 1974. THIS
FIGURE COULD BE SUBSTANTIALLY INCREASED IF CONGRESS GRANTS
NEW AUTHORITY TO DISPOSE; WITHOUT SUCH AUTHORITY, GSA WILL
RUN THROUGH CURRENTLY AUTHORIZED EXCESSES OF SOME MATERIALS
BEFORE END OF FY 1974. BUT, UNTIL LEGISLATION PASSES,
MOST IMMEDIATE PROBLEM IS IMPACT OF ACCELERATION OF

EXISTING PROGRAMS.

4. FOLLOWING PARAS LIST ALPHABETICALLY COMMODITIES SCHEDULED FOR ACCELERATED DISPOSAL, WITH FOLLOWING DATA FOR EACH:

- A. TOTAL INVENTORY (TI)
- B. TOTAL AVAILABLE FOR DISPOSAL UNDER EXISTING AUTHORITY (TAD)
- C. DISPOSAL RATE FY 1973 (DR 73)
- D. PROPOSED MODIFIED DISPOSAL RATE FY 1973 (MDR 73)
- E. PROPOSED DISPOSAL RATE FY 1974 (ASSUMING NEW AUTHORITY WHERE NEEDED) (DR 74)
- F. COUNTRIES TO BE CONSULTED

DEPARTMENT PLANS HOLD INITIAL CONSULTATIONS, AT APPROPRIATE LEVELS IN DEPARTMENT, WITH FOREIGN EMBASSY REPRESENTATIVES, TO BE CONDUCTED IN FIRST THREE WORKING DAYS FOLLOWING PRESIDENT' S MESSAGE. BRIEF REPORT EACH CONSULTATION WILL BE SENT TO POSTS. EACH EMBASSY CONSULTED WILL BE REQUESTED TO RESPOND WITHIN TEN WORKING DAYS OF CONSULTATIONS. STATE WILL NOTIFY GSA WITHIN FIFTEEN WORKING DAYS FROM DATE OF PRESIDENT' S MESSAGE OF ITS OBJECTIONS TO SPECIFIC PROGRAMS.

5. ALUMINUM OXIDE, CRUDE (SHORT TONS)

TI 359,732
TAD 110,637
DR 73 20,000
MDR 73 NO CHANGE
DR 74 50,000
CANADA

6. ANTIMONY (SHORT TONS)

TI 45,878
TAD 5,178

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DR 73 4,000
HDR 73 4,500
\$4 74 12,000
BOLIVIA, MEXICO, SOUTH AFRICA

7. ASBESTOS, AMOSITE (SHORT TONS)

TI 58,084
TAD 39,684
DR 73 10,000
MDR 74 NO CHANGE
DR 74 NO CHANGE
SOUTH AFRICA

8. ASBESTOS, CROCIDOLITE (SHORT TONS)

TI 20,510
TAD 20,510
DR 73 NO LIMIT
MDR 73 NO CHANGE
DR 74 NO CHANGE
SOUTH AFRICA

9. CHROMITE, CHEMICAL GRADE (SHORT DRY TONS)

TI 568,853
TAD 318,853
DR 73 80,000 FOR CHEMICAL USE; UNLIMITED FOR
METALLURGICAL AND REFRACTORY USE
MDR 73 NO CHANGE
DR 74 NO CHANGE
SOUTH AFRICA

10. CHROMITE, REFRACTORY GRADE (SHORT DRY TONS)

TI 1,162,201
TAD 762,241
DR 73 40,000 FOR REFRACTORY USE, UNLIMITED FOR
METALLURGICAL USE
MDR 73 NO CHANGE
DR 74 NO CHANGE
PHILIPPINES, SOUTH AFRICA

11. COBALT (POUNDS)

TI 67,209,945
TAD 29,009,945
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DR 73 12,000,000
MDR 73 NO CHANGE
DR 74 NO CHANGE
CANADA, ZAIRE

12. COLUMBIUM (POUNDS)

TI 7,317,646
TAD 3,743,000
DR 73 2,500,000
MDR 73 NO CHANGE
DR 74 NO CHANGE
BRAZIL, CANADA, NIGERIA

13. DIAMOND BORT (CARATS)

TI 41,015,479
TAD 17,315,479
DR 73 600,000 DOMESTIC; 1,000,000 EXPORT
MDR 73 2,800,000
DR 74 6,000,000
ZAIRE

14. DIAMOND STONES, INDUSTRIAL (CARATS)

TI 23,161,634
TAD 3,161,634
DR 73 90,000 DOMESTIC, 150,000 EXPORT
MDR 73 480,000
DR 74 1,500,000
GHANA, SOUTH AFRICA

15. LEAD (SHORT TONS)

TI 1,067,980
TAD 537,980
DR 73 225,000
MDR 73 NO CHANGE
DR 74 LONG TERM CONTRACTS TO BE REEXAMINED
AUSTRALIA, BOLIVIA, CANADA, MEXICO, PERU

16. MAGNESIUM (SHORT TONS)

TI 88,756
TAD 88,756
DR 73 48,000
MDR 73 NO CHANGE

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DR 74 NO CHANGE
CANADA

17. MANGANESE, HIGH CARBON FERRO - (SHORT TONS)

TI 1,176,061
TAD 576,061
DR 73 60,000
MDR 73 NO CHANGE
DR 74 100,000
SOUTH AFRICA

18. MANGANESE METAL, ELECTROLYTIC (SHORT TONS)

TI 21,511
TAD 5,311
DR 73 1,500
MDR 73 2,000
DR 74 2,000
SOUTH AFRICA

19. MANGANESE ORE, CHEMICAL GRADE (SHORT DRY TONS)

TI 247,152
TAD 177,152
DR 73 10,000
MDR 73 NO CHANGE
DR 74 20,000
GABON, MOROCCO, SOUTH AFRICA

20. MANGANESE ORE, METALLURGICAL GRADE (SHORT TONS)

TI 6,885,051
TAD 4,279,451
DR 73 300,000 (DELIVERED)
MDR 73 750,000 (DELIVERED)
DR 74 750,000 (DELIVERED)
BRAZIL, GABON, INDIA, SOUTH AFRICA, GHANA

21. MERCURY (FLASKS - 76 LBS.)

TI 206,753
TAD 6,648
DR 73 6,000
MDR 73 NO CHANGE
DR 74 12,000
CANADA, ITALY, MEXICO, SPAIN

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22. MICA, MUSCOVITE, BLOCK AND FILM (POUNDS)

TI 13,267,127
TAD 5,039
DR 73 1,000,000
MDR 73 2,150,000
DR 74 2,000,000
BRAZIL, INDIA

23. MICA, MUSCOVITE, SPLITTINGS (POUNDS)

TI 34,523,630
TAD 15,523,630
DR 73 1,250,000
MDR 73 2,000,000
DR 74 2,500,000
BRAZIL, INDIA

24. MOLYBDENUM, DISULPHIDE AND OXIDE (POUNDS)

TI 33,800,603
TAD 6,085,603
DR 73 5,000,000
MDR 73 NO CHANGE
DR 74 NO CHANGE
CANADA

25. QUARTZ CRYSTALS (POUNDS)

TI 4,241,015
TAD 3,921,015
DR 73 200,000
MDR 73 350,000
DR 74 500,000
BRAZIL

26. RARE EARTHS (SHORT DRY TONS)

TI 11,164

TAD 11,164
DR 73 1,250
MDR 73 1,450
DR 74 2,400
AUSTRALIA, BRAZIL, INDIA

27. RUBBER (LONG TONS)
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TI 243,634
TAD 111,634
DR 73 5,000
MDR 73 62000
DR 74 120,000
INDONESIA, LIBERIA, MALAYSIA, NIGERIA, SRI LANKA,
THAILAND

28. RUTILE (SHORT DRY TONS)

TI 56,525
TAD 17,400
DR 73 NONE
MDR 73 NONE
DR 74 17,400
AUSTRALIA

29. SELENIUM (POUNDS)

TI 333,071
TAD 333,071
DR 73 180,000
MDR 73 210,000
DR 74 258,000
CANADA

30. TANTALUM MINERALS (POUNDS)

TI 3,873,982
TAD 756,000
DR 73 NONE
MDR 73 NONE
DR 74 756,000
BRAZIL, CANADA, ZAIRE

31. TIN (LONG TONS)

TI 250,523
TAD 18,523
DR 73 NONE
MDR 73
"
DR 74 "
AUSTRALIA, BOLIVIA, INDONESIA, MALAYSIA, NIGERIA,
THAILAND, ZAIRE

" FIGURES TO FOLLOW.

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32. TUNGSTEN, ALL FORMS (POUNDS)

TI 129,407,197
TAD 69,412,834
DR 73 8,000,000 DOMESTIC;; 6,000,000 EXPORT
MDR 73 NO CHANGE
DR 74 14,000,000
AUSTRALIA, BOLIVIA, CANADA, SOUTH KOREA, PERU,
THAILAND

33. VANADIUM, FERRO - (SHORT TONS)

TI 1,200
TAD 1,200
DR 73 1,200
MDR 73 NONE
DR 74 NONE
SOUTH AFRICA

34. VEGETABLE TANNIN EXTRACT - QUEBRACHO (LONG TONS)

TI 183,409
TAD 132,809
DR 73 4,000 DOMESTIC; 600 EXPORT
MDR 73 5,000 DOMESTIC; UNLIMITED EXPORT
DR 74 5,000 DOMESTIC; UNLIMITED EXPORT
ARGENTINA, PARAGUAY

35. VEGETABLE TANNIN EXTRACT - WATTLE (LONG TONS)

TI 30,975
TAD 21,475
DR 73 3,000 DOMESTIC; 1,800 EXPORT
MDR 73 4,000 DOMESTIC; UNLIMITED EXPORT
DR 74 4,000 DOMESTIC; UNLIMITED EXPORT

36. ZINC (SHORT TONS)

TI 843,976
TAD 283,976
DR 73 275,000
MDR 73 NO CHANGE
DR 74 LONG TERM CONTRACTS TO BE REEXAMINED
AUSTRALIA, CANADA, MEXICO, PERU

37. FYI. WHERE MODIFIED DISPOSAL RATE FOR REMAINDER FY
1973 AND/ OR DISPOSAL RATE FOR FY 1974 SHOWN ABOVE AS
" NO CHANGE," GSA INTENDS TO OFFER SAME QUANTITIES FOR
SALE AS IN FY 1973, BUT TO INCREASE ACTUAL SALES BY PUR-
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SUING MORE AGGRESSIVE MARKETING POLICY. END FYI.

38. ALL INFORMATION CONTAINED IN THIS TELEGRAM IS
EMBARGOED FOR RELEASE UNTIL 12:00 NOON, EST, MONDAY,
APRIL 16, 1973. ROGERS

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 07 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE070365
Document Source: ADS
Document Unique ID: 00
Drafter: EB/ ISM: JCCURRAN: LMP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730460/abqceihi.tel
Line Count: 439
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 70359; (B) STATE 70364; (C) STATE 70360
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 25 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25-Sep-2001 by kelleyw0>; APPROVED <22 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980116
Subject: ACCELERATION OF STOCKPILE SALES UNDER EXISTING AUTHORITY
TAGS: EIND, EMIN
To: ACCRA
ASUNCION
BANGKOK
BRASILIA
BUENOS AIRES
CANBERRA
COLOMBO

DAR ES SALAAM
JAKARTA
KINSHASA
KUALA LUMPUR
LAGOS
LA PAZ
LIBREVILLE
LIMA
MADRID
MANILA
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Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005